

**Operations Chief Meeting
February 9-10, 2000
Ft. Belvoir
Room 4801**

Opening Comments by Mr. Robert Schmitt

Mr. Schmitt expanded a little on the issue of the DCMC becoming DCMA.

The Commander Conference scheduled for June 2000 was discussed next. Suggested having a VTC to discuss a proposed agenda/workshops. Everyone felt that this would be a perfect opportunity to discuss the new agency with all of the commanders.

Discussed an article in the Early Bird (printed in Washington Post), concerning the procurement of Aircraft Launch & Recovery Equipment defective products for the Navy. DLA became aware of the concern during Jun/Jul timeframe. The DCMC involvement is still being investigated.

Involved with the pentagon concerning how Wall Street values defense companies. A Defense Science Board was established on how to maintain a viable industrial base. General Malishenko will brief the DSB with some potential departmental actions which could improve the viability of the defense industrial base.

Some questions were raised on CONOPS. When will it take effect? Mr. Schmitt said it would probably coincide with becoming an agency. Union negotiations will have to take place. DCMC's current focus is to move to commercial spaces (preferably Springfield).

Action Item Review, Mr. Brian Quigley

Actions Items Closed since the December Ops chief meeting:

OP0107 – Jul Action Item #3

OP0126 – Nov Action Item #1

Actions Items Currently Open:

OP0112 - Jul Action Item #8

OP0120 - August Action Item #4

OP0127 - November Action Item #2

Action Items Open due to the February Ops Chief Meeting:

February Action Item #1: Review data from prior year and analyze. DCMC-OA/Mr. Paul Farley

February Action Item #2: Review Transition Plan for Other Transaction Center and provide comments to Ms. Jean Carter by 25 February 2000. DCMCD-E/DCMD-W/DCMD-I/District Ops Chiefs

February Action Item #3: Review attachment for Multifunctional Team Leader Roadshow. Provide comments concerning sites, topics and points of contact to Ms. Penny Kingsbury by 25 February 2000.

February Action Item #4: Provide list of people registered for Group Leaders Conference to District Ops Chiefs. DCMC-OA/Mr. Glenn Gulden

Topics covered at this meeting

IPT's with NAVICP; DCMC-OA/Ms. Faye Turner, Ms. Patty Tellez, Ms. Cynthia Brice

Discussion covered three (3) areas:

1. UCAs
2. Closeout
3. Termination for Convenience

1. UCA:

- The NAVICP/DCMC UCA IPT charter was signed in Aug 99. It was set up to be a 3 month IPT. The IPT objectives were as follows:
 1. Identify opportunities to reduce UCAs.
 2. Establish a target goal for reducing UCAs.
 3. Develop implementation plan.
- The IPT membership consisted of the following:
 1. DCMC- One member each from HQ's, DCMDE, and DCMDW.

2. NAVICP – One member from Mechanicsburg, Contracts, and one from Philadelphia, Contract Policy.
- From the 3 meetings held observations were made:
 - Mechanicsburg and Philadelphia contracts do things differently
 - Philadelphia more open to new ideas, e.g. IDIQ contracts, block funding, DCMC placing orders
 - Mechanicsburg has majority of repairs; Philadelphia more spares
 - NAVICP wants to go with Direct Vendor Delivery (DVD) contracts
 - NAVICP is facing Reduction in Force (RIF) actions
 - Mechanicsburg has reduced the induction period on Advance Delivery Orders (ADOs) down to six-months
 - Not willing to further reduce
 - Once that induction period has passed, quantities should be reduced (no more inductions should occur under that order)
 - NAVICP has complaints regarding DCMC requesting cost and pricing data on small dollar orders
 - We aren't doing all we could do, e.g., NG Bethpage one of our worse CAOs for NAVICP orders - they received block funding and issue the orders
 - FMS orders have more problems
 - No one easy solution
 - IPT agreed at Dec 99 meeting to write up final report with recommendation to:
 - Establish an on-going partnering (on-going joint oversight team) to:
 - Prioritize improvement efforts;
 - Hold quarterly meetings with targeted objectives;
 - Establish agendas and meeting attendance targeted towards accomplishing objectives;
 - Provide a vehicle to share best practices; and
 - Ensure that actions are being initiated and completed
 - DCMC-O felt that this was in essence closing out one IPT and re-establishing another
 - Benefits
 - NAVICP team members help resolve issues that we identify
 - Cleaning up old orders; and
 - Better communication (better response)
 - Current DCMC/NAVICP focus
 - Cleaning up old orders
 - Questioning FMS countries on practice of contracting with original equipment manufacturer
 - Identification of current ADOs
 - Looking to restructure ADOs
 - Line items for "standard level-of-repair," and
 - Line items for over-and-aboves.

2. Closeout:

- This IPT was established to help the Navy with their overage contracts. The Navy has 51% of DCMC's overage contracts, but only 30% of the obligated dollars.
- Current Status:
 - Initial team meeting on 18-20 October 1999.
 - Six Navy members were identified, but only two came (Navy member, Jim Hudgens from FISC Norfolk Hampton Roads was very knowledgeable and informative).
 - The team performed an analysis of active contracts to determine who is still issuing low dollar cost orders
 - Mr. Hudgens advised this practice should have stopped 3-4 years ago with Acquisition Reform
 - He is looking into what recent actions the Navy has taken the time to train their employees
 - Contacting the biggest offenders (FISC Philadelphia), to determine Navy training needs
 - Mr. Hudgens is setting up a meeting with FISC management in March 00

3. Termination for Convenience:

- The objective of this IPT is to (1) avoid procurement of overstock and/or obsolete items resulting in T/C and (2) develop a target goal for changing the current termination practice and develop an implementation plan to reach the target goal.
- NAVICP has already changed policies leading to fewer T/Cs.
- There has been more consolidation of procurements.
- The Navy is willing to consider supporting internal DCMC T/C IPT recommendations.
- Realign business practices between Philadelphia and Mechanicsburg so everyone is following same policy.
- Initial Recommendations:
 - Shorten contractor's proposal submission from 1 year to 6 months on contracts valued at \$100K or less.
 - Waive Property Screening (except for Hazardous material) at the above value.
 - Raise T/C threshold under 49.101 from \$5000 to \$10,000 and change wording "should not" to "shall not".
 - Add to the commercial contracts provisions for a re-stocking charge in the even of cancellation vs. T/C.
 - Give the TCO blanket authority to deobligate excess funds. (Note: similar to the authority currently obtained for closeout).
 - Realign DCMC internal Plant Clearance Screening reporting/accountability
 - Amend the CAS Component Directory to reflect TCO offices and require notificatoni to the TCO in conjunction with the contractor.

Mr. Schmitt recommended re-engaging the IPT's and NAVICP.

Bill of Rights Survey: DCMC-OA/Ms. Loretta Bowman

- Ms. Bowman gave the latest status on the Bill of Rights Survey.
- For the 'Right to Ask for Information' a response is required within 2 days.
 - 484 requests for information were all answered within two (2) days. The average response time was .8008 days.
- Mr. Schmitt requested an analysis be done on the past data.

Other Transaction Center: DCMC-OA/Ms. Jean Carter

- Gen Malishenko inquired where the OTC's are being managed. If they went away from the centers where would they go?
- Recommendation was to keep four (4) OTC's as they are. Re-visit the subject in FY 01 due to the eventful year (Agency, CONOPS).
- Gen Malishenko said no. He requested a logical plan for relocation to places with 'critical mass'.
- Ms. Carter is to supply Mr. Nereng with a list of the four (4) international sites.
- Additional verbage needs to be added to the customer focus in the Transition Plan.
- Need to keep DCAA abreast of plan of action.
- District OPS Chiefs are to provide comments to Ms. Carter by 25 Feb 00 on the Transition Plan.

IOA Data Analysis: DCMC-BC/Mr. John Glover

- Mr. Glover presented a briefing on the IOA results from Jul 97 to Jun 99.
- IOA results were summarized for the East and West Districts combined, East and West Districts individually, and Geographic and Resident CAOs.
- Certain results are highlighted to indicate common problem areas:
 - Yellow when less than satisfactory rate is $\geq 50\%$
 - Red when major or serious rate is $\geq 25\%$.
- Mr. Glover pointed out that technical processes had more yellow and reds than the business summary.
- Common problem areas should be considered for internal assessment.
- Mr. Glover discussed the plan to increase the use of augmentees on IOAs and a forthcoming Tasking Memorandum to Headquarters and Districts to nominate augmentees.

Executive Session

Multifunctional Team Leader Roadshow: DCMC-OA/Ms. Penny Kingsbury

- The District OPS Chiefs requested a conference for multifunctional team leaders.
- The roadshow is not a replacement for the course being developed.
- Conference funding would be extravagant so a roadshow was devised.
 - TDY and travel money would be saved
 - Provide a more collaborative setting because fewer people would attend each session
- This is a first time experiment
- District OPS Chiefs are to review and comment on the sites, potential topics, and points of contact by 25 Feb 00.

Knowledge Management: DCMC-OA/Ms. Penny Kingsbury

- In the information age, industry has found that the real value of the corporation is found in the intellectual capital (knowledge and expertise) of its personnel.
- Practices to manage knowledge are being adopted in the commercial sector, and initial assessments indicate there is potential for a very healthy ROI. (For example, Chevron Corporation saves \$140 million annually in refinery operations by using knowledge management to identify and disseminate best refinery practices.)
- Knowledge management started in the corporate field.
 - Every contact is logged
 - A database is built where you really get to know the customer
- Three (3) DSMC students wrote a book entitled Knowledge Management 2000 (available on DSMC web site).
- Most corporations use Lotus Notes
- We are going to utilize Microsoft
- Scheduled to get Outlook 2000
 - Allows the usage of portals
 - Integrates outlook screen and browser
 - Net meetings can be done – collaboration on line
 - Documents can be on line with a read or write only capabilities.
 - Can be very personalized.
 - Who controls?
- Knowledge Management gives us the capability to capture lessons learned and share them.
- Strategies are being developed to present to the Executive Council
- The District OPS Chiefs need to supply points of contact to Ms. Kingsbury.

Group Leaders Conference: DCMC-OA/Mr. Glenn Gulden

- Update

FST Team: DCMC-OA/Mr. Bob Kennedy

RAMP: DCMC-OA/Mr. Bob Kennedy

- A functional test was conducted in Florida. Col Stone expressed satisfaction with the application.
- Some fixes were identified.
- Going to revisit Florida in a couple of weeks.
- Deployment is scheduled for the 3rd quarter.
- A demonstration or screens will be shown at the Group Leaders Conference.
- Additional funds were requested.
 - Partial funding was received
 - Could potentially receive more after mid-year review

Calendar Year 2000 OPS Chief Meetings

- Calendar was revisited and revised to accommodate changes. See attachment.

Tentative Topics for the March Ops Chief Meeting

//signed//
Ms. Jill Pettibone

Calendar For OPS Chief Meetings

<u>Date</u>	<u>Day</u>	<u>Location</u>	<u>Room</u>	<u>Notes</u>
13 Jan 00	Thur	Ft. Belvoir	4905	Cancelled
9-10 Feb 00	Wed- Thur	Ft. Belvoir	4801	Completed
1 Mar 00	Wed	Boston		Meeting to be held at Group Leaders Conference after dismissed.
13 Apr 00	Thur	Ft. Belvoir		LA trip cancelled. Reschedule for Dec 00.
First week of May 00		Ottawa		Mr. Nereng to supply dates when convenient for CAO to support.
Jun 00		Tyson's Corner		Meeting to be held at Commander's Conference.
19 Jul 00	Wed	Ft. Belvoir		
16 Aug 00	Wed	Ft. Belvoir		Originally scheduled for Ottawa trip. Rescheduled for day after BPT.
20 Sep 00	Wed	Ft. Belvoir		
10-12 Oct 00	Tues-Thur	Atlanta		
16 Nov 00	Thur	Ft. Belvoir		
6-8 Dec 00	Wed-Fri	LA		Rescheduled LA trip.

List of Attendees:

<u>NAME</u>	<u>COMMAND</u>	<u>PHONE</u>	<u>EMAIL</u>
Jill Pettibone	DCMC-O	703-767-2411	jpettibone@dcmachq.dla.mil
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Brian Reilly	DCMDW-O		breilly@dcmdw.dla.mil
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